

Exhibit C

Administrative Decision 13-14 (Unofficial English Translation)

Matter

Clarification of the scope of the taxation of the special contribution under Act No. 48-2013

Attention

Taxpayers who have a contract with the Commonwealth of Puerto Rico to provide professional, advisory, advertising, public relations, communications, legal, training or orientation, and lobbying services

Administrative Determination DA 13-14 08/28/2013 Internal Revenue

I. Statement of Reasons

Article 1 of Act No. 48-2013, ("Act 48-2013") imposes a special contribution equivalent to one point five percent (1.5%) of the total amount of all professional, advisory, advertising services contracts, public relations, communications, training or orientation, and lobbying, granted by an agency, dependency or instrumentality of the Commonwealth of Puerto Rico ("ELA"), public corporation, as well as the Legislative Assembly and the Judicial Branch ("Special Contribution").

The Special Contribution must be withheld by the Department of the Treasury ("Department") or by the corresponding government entity at the time of making the payment for the services provided under the contract. On August 9, 2013, the Department issued the Accounting Circular Letter Central No. 1300-03-14 ("CC 1300-03-14") to establish the procedure for collecting the Special Contribution from professional service providers Subsequently, on August 16, 2013, the Department issued the Circular Letter of Central Accounting Num. [sic] with the purpose of amending CC 130043344 to inform that the media advertisements, reimbursed expenses and costs of equipment or materials that invoice the governmental entity as part of a contract, should be excluded from the Special Contribution.

On August 20, 2013, the Department issued Administrative Determination No. 13-12 ("DA 13-12") in order to clarify which services are subject to the Special Contribution. However, the Department has received additional consultations related to the application of Law 48-2013. Therefore, this Administrative Determination is issued to repeal DA 13-12 and to clarify the scope of the imposition of the Special Contribution under Law 48-2013.

II. Discussion

The contracts subject to the Special Contribution under Act 48-2013 are those contracts to provide professional services, as defined in Act 237-2004. According to said law, the term "professional and advisory services" includes those services whose main provision consists of the product of intellectual, creative or artistic work, or the management of highly technical or specialized skills. Any contract that is classified as a professional or consultive Services Contract under Act 237-2004, is subject to the Special Contribution provided in Article 1 of Act 423-2013.

In addition, as provided in Act 453-2013, services provided under public relations, communications, legal and lobbying contracts will be subject to the Special Contribution, regardless of whether these services are considered professional or advisory services under Act 237-2004. Within the categories of services mentioned here, there are services considered as Services product of intellectual, creative or artistic work, but in other cases, routine services that do not involve intellectual or creative work and for that reason should not be subject to the Special Contribution.

It should be noted that Act 48-2013 establishes that the Special Contribution applies to any contract for professional, advisory, advertising, training or orientation services, including the services described in the previous paragraph, (hereinafter "Professional and Consultative Services") that is granted by a government entity of the Commonwealth. Said law does not specify that the Special Contribution is applicable only to services provided in Puerto Rico. Therefore, any contract for Professional and Consultative Services that is subscribed by a government agency of any of the branches of government, is subject to the Special Contribution, regardless of whether the services are provided outside of Puerto Rico or by a supplier that is not engaged in an industry or business in Puerto Rico.

III. Determination

A. Repeal of DA 13-12

The DA is repealed, effective as of the date of issuance of this determination.

B. Services subject to the Special Contribution

This Department determines that the following services are considered professional and advisory services subject to the Special Contribution provided in Act 48-2013

Services provided by licensed professionals, such as, lawyers, doctors, nurses, pharmacists, accountants, engineers, agricultural surveyors, architects, agronomists, real estate brokers or sellers, draftsmen, real estate appraisers or evaluators, geologists, among others;

Specialized or technical services such as computer consultants, computer programmers, financial analysts, economists, electricians, plumbers, mechanics, installers, among others;

Personnel services such as evaluation, selection and promotion of temporary personnel, whether at an administrative, managerial or professional level and coordination of human resources;

Lobbying services;

Consulting services of all kinds;

Management services;

Insurance services and commissions (excluding the payment of insurance premiums)

Legal services;

Cleaning services that require specialized personnel

Training, education and orientation services for personnel;

Advisory services of all kinds, whether provided by an individual or by a legal entity, through its employees;

Waste collection and disposal services that require specialized personnel for their removal, such as biomedical, industrial, toxic waste or asbestos removal, among others.

Public relations related services; Y

Communications services (except for the cost of publicity advertisement).

In the case of Communications services, there are several types of Services. Among these is the Creative service of the writing and design of the art of the advertisement[,] or advertising strategy. In addition, a communications contract may contain ad publicity and expense reimbursement services, as well as telecommunications services (as defined in Section 4010.01 (kk) of Act 1-2011, as amended). Expenses related to media advertising, expense reimbursements and telecommunications services are not considered professional services and, therefore, should not be subject to the Special Contribution of Act 48-2013.

The Special Contribution applies to the contracts for services described herein regardless of whether said services have been provided outside of Puerto Rico or if the service supplier is a foreigner not engaged in an industry or business in Puerto Rico. In addition, the Special Contribution applies regardless of the funds or account number from which the payment to the supplier comes.

As an example, the "MVX" law firm with offices in Washington DC is contracted by the Government Agency for Consulting services related to the application of certain federal laws. The services provided by the "MVX" law firm are provided from the Washington offices and through emails and telephone

calls. The Government Agency must retain 1.5% to "MVX" when it sends the payment for the services rendered. The amount withheld must be remitted to the Department of the Treasury in accordance with the provisions of CC 1300-03-14.

C. Services not subject to the Special Contribution

The Department determines that the following services, among others, are not considered professional and advisory services and, therefore, are not subject to the Special Contribution provided in Act 48-2013:

Collection and waste services (except disposal of biomedical, industrial or toxic waste or that require specialized personnel);

Leases;

Security services;

Office cleaning services (["Janitorial Services ");

Storage services;

Courier services or document delivery, including management services;

Life, health, property and contingency insurance contract premiums

Financial services provided by financial institutions (as defined in Section 1033.17 (f) (4) of the Code)

Construction contracts (except that the design and advice phase are considered professional services subject to the Special Contribution); and

Account collection services ("collection services");

Telecommunications services (as said term is defined in Section 4010.01 (kk) of Act 1-2011, as amended)

Services provided by non-for-profit organizations

This Department also determines that the following items will not be considered part of the "total amount of the contract" on which the withholding of the Special Contribution is imposed:

any amount representing reimbursement of expenses;

any amount representing the cost of the ad in the case of a contract to provide professional advertising services; or

any amount that represents the price of any machinery, equipment, accessory or material that is provided as part of the professional service that was rendered,

However, in order to exclude these items from the "total amount of the contract" they must be duly identified in the invoice submitted by the service provider. Otherwise, the corresponding item will be subject to withholding the Special Contribution.

As an example, the advertising agency "XYZ" signs an advertising services contract with a Government Agency. Said contract includes the design of the website, the preparation of the advertising and publicity campaign and the placement of the advertisements on radio, press and television. Of the total amount of the contract, the amounts identified as the cost of the advertising on radio, press and television do not constitute professional services subject to the Special Contribution. Therefore, the total amount of the contract must be reduced by the portion attributable to the advertising, and the remainder of the contract would be subject to the withholding of one point five percent (1.5%) of the Special Contribution. On the other hand, if the agency schedules the advertisements directly with the press, radio or television, said advertisement contract does not constitute a contract for professional and advisory services and, therefore, is not subject to the withholding at source of the Special Contribution. by the agency.

IV. Validity

This Administrative Determination is effective immediately.

For additional information about this Administrative Determination, you can Contact the General Consultations Section at (787)722-0216 option 8.

Cordially,

Melba Acosta Febo